



# Response to terms of reference of the Strategic review of the Australian Apprenticeships Incentive System Brotherhood of St. Laurence

14 May 2024

For further information or to discuss this submission, please contact:

Kira Clarke

Principal Research Fellow, Skills & Training

BSL Social Policy and Research Centre

Phone: 0409 150 851

Email: kira.clarke@bsl.org.au

Rebecca Wilmott

Head, Adult & Youth Transitions

Brotherhood of St. Laurence

Phone: 0404 146 101

Email: Rebecca.wilmott@bsl.org.au

## Summary

The Brotherhood of St. Laurence (BSL) welcomes the Strategic Review of the Australian Apprenticeships Incentive System (the Review), in particular the focus on the role of incentives and other supports in enabling take-up and completion of apprenticeships.

This submission draws on long-term practical experience across our programs, service development and innovation initiatives, along with insights drawn from our research and policy analysis, and our partners working in employment and education interventions in communities across Australia.

This submission makes four recommendations that address the Review's terms of reference, with a particular focus on increasing uptake and completion of apprenticeships by priority and underrepresented groups:

**Recommendation 1: Gather more specific and disaggregated data to better target how supports for apprentices and employers are focused at points in the apprenticeship journey where there is higher risk of attrition. This should include:**

- annual published apprenticeship commencement, withdrawal and completion data that is disaggregated by industry and priority groups, to identify population and occupational trends and patterns
- a dedicated program for tracking and follow-up with apprentices from key priority groups through their apprenticeship, including regular reporting alongside reporting on commencement and completion rates
- monitoring apprenticeship awards, wages and incentives against poverty indices and apprenticeship costs to understand and assess housing insecurity and other cost-of-living risks.

**Recommendation 2: Strengthen and formalise pre-apprenticeships as a critical component of the apprenticeship system. This should include:**

- consistent recognition through labelling and funding pre-apprenticeship pathways
- introducing pre-apprenticeship offerings where they currently do not exist, prioritising their introduction in high-growth occupations and those in skill shortage
- consider the adoption of pre-apprenticeships as a default pathway for young apprentices who have not completed Year 12.

**Recommendation 3: Formalise employer capability development as part of schemes and incentives for widening access for priority cohorts. This should include:**

- a capability threshold for employers wanting to access incentives for employing apprentices from priority groups, including demonstrating current retention and/or prior successful apprenticeship completion of non-priority group apprentices and workplace practices designed with the needs of that priority group in mind (e.g. anti-sexual harassment and bullying, cultural competence practices, inclusive practices)
- resourcing apprenticeship services to work collaboratively with local employers and training providers on targeted capability uplift to strengthen capability to support underrepresented groups. This collaboration, and any resulting resources and programs, should complement incentives for employers to recruit underrepresented cohorts. Access to capability uplift activities should be tied to the staged payment of incentives.

**Recommendation 4: Expand collaborative approaches to enabling and supporting apprenticeships. This should include:**

- collaborative support approaches within the new Apprenticeship Support Services practice models
- partnerships and collaborative delivery of apprenticeship and employer supports that include health, housing, and social support expertise and stakeholders
- prioritising social procurement as a means to establish targets for underrepresented groups in apprenticeship opportunities made available through local infrastructure investments
- stronger accountability measures for apprenticeship targets through social procurement initiatives.

## 1. The Brotherhood of St. Laurence and apprenticeships

The Brotherhood of St. Laurence (BSL) is a social justice organisation working towards an Australia free of poverty. Our purpose is to advance a fair Australia through our leadership on policy reform, our partnerships with communities, and the quality of our services. Our approach is informed directly by people experiencing disadvantage and uses evidence drawn from our research, together with insights from our programs and services, to develop practical solutions that work.

This submission draws on our long-term practical experience across programs, service development and innovation initiatives; insights drawn from our research and policy analysis; and knowledge from our partners working in employment and education across Australia. Our education, skills and training work includes:

- **Partnering with TAFEs** to support young people to access and engage with education and training. This includes the establishment (with Launch Housing) of Education First Youth Foyers. This supportive accommodation, located on TAFE campuses, enables young people experiencing (or at risk of) homelessness to engage in education and training that helps alter their life trajectory.
- **Delivering training** to a diverse range of learners – particularly those experiencing disadvantage – through our Group Training Organisation.
- **Operating the David Scott School** which is a high-support, independent school for young people who have fallen out of mainstream education. Over 110 senior secondary students are currently undertaking the Victorian Certificate of Education (Vocational Major) at the school.
- **Innovative employment support models** that are sustained by philanthropic, corporate, state and federal funding. This includes facilitating the National Youth Employment Body (NYEB).
- **Major Australia-wide research** commissioned by the National Centre for Vocational Education Research and others, as well as numerous evaluations of Vocational Education and Training-related support services.
- **Piloting innovative employment-based training models** in partnership with youth service providers, vocational education providers and industry bodies. This includes the current AgFutures: Foundational Capabilities Pathway project in the southwest of Victoria, with the support of the Victorian Government’s Workforce Training Innovation Fund.

## 2. BSL’s response to the Strategic Review of the Australian Apprenticeship Incentives System

### 2.1 A strategic review is welcome

BSL welcomes the Strategic Review of the Australian Apprenticeships Incentive System (the Review), in particular the focus on the role of incentives and other supports in enabling the take-up and completion of apprenticeships.

Apprenticeships are a critical part of Australia’s workforce development architecture and when they work well, they can set participants up for secure and well-paid work. BSL also recognises that incentives play an important role in enabling both jobseeker and employer access to the apprenticeship system. For learners and governments, the existing low rate of completion represents a wasted investment, both of resources and of effort. For employers and industry, low completion rates engender a lack of faith in the apprenticeship system, hindering engagement.

The usefulness of incentives in apprenticeships is limited by gaps and weaknesses in the wider apprenticeship system including:

1. **Insufficient data.** Better data is required to understand the causes, timing and consequences of apprenticeship drop outs. It is also necessary to understand the structural, workplace and training barriers to the uptake of apprenticeships among priority groups which is reducing the effectiveness of retention and participation interventions.
2. **A lack of awareness among prospective apprentices of the training and job demands of different apprenticeship opportunities and inconsistent usage of pre--apprenticeships** as a

pathway into apprenticeships, resulting in apprentices starting out with inaccurate or misaligned expectations, which contributes to high attrition.

3. **A lack of systematic and intentional employer capability support** for hosting apprentices from diverse and priority groups (e.g. those with a disability, young apprentices, First Nations apprentices and those with language backgrounds other than English), which contributes to low uptake of and retention in apprenticeships by these groups.
4. **A lack of consistent, joined up and agile supports** for all apprentices, with gaps in appropriate supports for underrepresented priority groups, contributing to both low uptake by underrepresented groups and low completion rates.

This submission considers each of these challenges below.

## 2.2 Data

### 2.2.1 Existing data only shows part of the retention and completion picture

Strengthening institutional and systemic accountability for both apprenticeship outcomes and the employability of apprenticeship graduates requires strong, timely and detailed data on the factors contributing to attrition, and the conditions enabling success. In Europe, for example, apprenticeship tracking is undertaken by 19 out of 24 European Union member states as a core strategy for informing policy, improving labour market matching and monitoring the performance of training providers (European Commission 2018). Strong, multidimensional data would drive an intersectional focus on equity in the apprenticeship system to ensure it is inclusive and effective for all learners. Stronger data and reporting on the access, completion and outcomes of marginalised groups (e.g. First Nations learners, learners with disabilities, rural/remote learners, early school leavers, older learners with low educational attainment) would enable targeted, evidence-informed wraparound support for learners at points of need.

The National Centre for Vocational Education Research (NCVER) publishes data on apprenticeships, including commencements, withdrawals and completions. From this we know the number of people commencing apprenticeships declined in 2023 and the number of people in-training in apprenticeships and traineeships was lower than the number in-training a decade ago. Since 2013, apprenticeship and traineeship commencements had been on a consistent downwards trend. There was then a spike in commencements in 2020. The most recent commencement data indicates a likely return to the downwards trend. Recent data on completions is not available, however for those commencing in 2018, the completion rate was 55.8% for all occupations. While completion rates are slightly different for trade (53.4%) and non-trade (58.2%) occupations, both represent a concerning wasted public and private investment.

However, NCVER data on apprenticeships only provides a high-level view of the trends in take-up and attrition. It relies on data supplied by training providers which is largely administrative, with limited information about barriers, the causes of attrition and consequences of withdrawal from apprenticeships for apprentices.

While there is substantial publicly available information on the commencement, completion and attrition from apprenticeships by industry, location and participant characteristics, it does not show causes and points of attrition for different participant cohorts and in key growth and high-demand occupations. To effectively target incentives, subsidies or other non-financial supports that will drive

take-up and strengthen completions, more detailed insight is needed into: the barriers to retention; reasons for and patterns of disengagement; and trends among different cohorts and for different points along the apprenticeship journey. Studies of apprenticeship attrition have also pointed to occupation-level data as most effective for understanding the reasons that apprentices stay in or drop out of their apprenticeships (Powers 2015).

A more nuanced understanding of the factors contributing to attrition is required to support the needs of specific population groups and occupations. This includes gathering data on industry-specific, place-specific and priority-group trends that can provide insights in areas that need targeted intervention to drive uptake and completions.

A dedicated data-gathering program for tracking apprentice journeys is needed to follow all apprentices (especially key priority groups) through their apprenticeship. Government needs to urgently address the stagnation in apprenticeship take-up and to boost completion, by resourcing the intentional and systematic collection of data that supports understanding of the causes of attrition .

### **2.2.2 A more systematic approach is needed to understand the impact of cost of living and other structural barriers on apprenticeship uptake and completion**

Insights shared by BSL staff and partners working with jobseekers and young apprentices in regions across Australia highlight the impact of structural barriers including cost of living. Critical barriers to take-up of apprenticeships include affordable and accessible transport to both the workplace and place of training, reliable internet and lack of digital devices. As one employment service provider described:

Transport [and] something as simple as internet connections, resources, things like that would be the main ones that we're facing out here. We have people ready to teach and ready to do it. We don't have [reachable] places or things [devices] to do it with. –  
*Employment service provider*

Feedback from stakeholders using employer incentives and wage subsidies reflects the ways structural barriers of distance, under-developed local infrastructure and economies of scale impact employers and prospective apprentices differently in different parts of the country. One Northern Territory employer described a challenge common to those outside major urban areas:

So, from my own experience, we have tried really hard to get apprenticeships up and running in our business. However, on a cost basis, it would end up costing me money to do it in the NT, whereas a licensee in NSW is actually making money, putting a traineeship through, so definitely for our region [a] massive barrier is the incentives for it. It costs our businesses money to have an apprentice. – *Employer, Northern Territory*

The low rates of wages for apprentices have been a long-term problem and are central to the debate about the challenges to take-up and retention. The effect of low wages on apprentices have become even more stark in the current cost-of-living crisis. Wages for the top three most popular apprenticeship occupations provide a useful illustration of the wage levels for first-year apprentices. The rates below have been calculated for 19-year-olds who have completed Year 12 and are in the first year of their apprenticeship.

**Table 1: Hourly and weekly wages for top three apprenticeship occupations, and comparative National Minimum Wage for Adults**

Occupation	Award	Hourly	Weekly
<b>Electrician (General)</b>	Electrical, Electronic and Communications Contracting Award	\$14.46	\$549.48
<b>Carpenter</b>	Building and Construction General On-site Award	\$16.64	\$632.33
<b>Motor Mechanic (General)</b>	Vehicle Repair, Services and Retail Award	\$14.40	\$547.25
<b>Minimum Wage</b>	National Minimum Wage for Adults	\$23.23	\$882.80

The main criticism of apprentice wages is that they do not cover the basic costs of housing, food and transport. For example, a young first-year apprentice electrician living in Sydney has a take-home weekly wage of \$549.48, which leaves less than \$130 after paying median Sydney rent of \$420. Similarly, a young apprentice carpenter living in Melbourne, taking home \$632.33 each week, will have little remaining to cover food, transport and utility costs after paying the median Melbourne rent of \$425<sup>1</sup>.

Couch surfing, housing insecurity and homelessness are not uncommon among young apprentices (Cebulla and Goodwin-Smith 2013), alongside other cost-of-living risks which include food insecurity and lack of access to health services. There has been extensive and ongoing policy debate about apprentices' wages for many years. However, the real impacts of apprentice housing insecurity are not well understood and further work is needed, through intentional data collection, to identify the patterns of risk across for different apprentice groups and in different occupations. Although existing data collection mechanisms have the ability to provide some insight into the social conditions and lives of apprentices, further research and more systematic collection of data is needed on the individual motivations, expectations and experiences that contribute to successful apprenticeship training experiences (Powers 2015).

**Recommendation 1: Gather more specific and disaggregated data to better target how supports for apprentices and employers are focused at points in the apprenticeship journey where there is higher risk of attrition. This should include:**

- **annual published apprenticeship commencement, withdrawal and completion data that is disaggregated by industry and priority groups, to identify population and occupational trends and patterns**
- **a dedicated program for tracking and follow-up with apprentices from key priority groups through their apprenticeship, including regular reporting alongside reporting on commencement and completion rates**

<sup>1</sup> Median rental costs for Sydney and Melbourne were calculated for 1 bedroom dwellings using data from the 2023 and were sourced from the Victorian Residential Tenancies Bond Authority and the NSW Department of Communities and Justice.



- **monitoring apprenticeship awards, wages and incentives against poverty indices and apprenticeship costs to further understand and assess housing insecurity and other cost-of-living risks.**

## **2.3 Strengthening pathways into apprenticeships – including through expanded pre-apprenticeship offerings**

A third of apprentices leave in the first year of their contract (NCVER 2021). Working conditions, low pay and a lack of awareness of the nature of the training and work role are all factors that contribute to early attrition (Stanwick, Ackehurst & Frazer 2021). A key enabler for retention is providing exposure to the realities of apprenticeship training prior to commencement. There is currently no consistent approach to making sure prospective apprentices have been able to fully explore the training and work realities prior to signing their contract.

As an employer service provider working extensively with young people transitioning from school to post-school education and employment emphasised:

I think probably not having the right information prior to going into, so not just taking up an apprenticeship or a traineeship because it's there and I think actually understanding that whole, 'what are your skills and strengths? Where do you want to go? What are your goals and aspirations?' I think that we know how important that piece is for success at the other end, and I think that that's still a bit of an issue. – *Employer service provider, Queensland*

While general apprenticeship information is abundant online and available across government, provider and careers websites, feedback from BSL partners and our clients using the system highlights how complex and confusing it can be to find accurate and meaningful information. This is particularly the case for those without an existing network or the supports to locate and consider the information available (Roy and Rickard 2011). Even for those who are drawn into an apprenticeship based on a family connection, the fit and success is not guaranteed if there is limited awareness going in (Powers 2015). At minimum, those considering an apprenticeship pathway need access to career information that allows them to compare and understand how different apprenticeships are structured and how much time they will be spending on the job and in the classroom.

Trade taster programs, within school and those offered by training providers and through locally convened careers expos, can all support prospective apprentices in their choices. Yet, a lack of familiarity with the demands of training and the true nature of their chosen occupation continue to play a major role in apprenticeship attrition, particularly in withdrawals in the first year of an apprenticeship (Bednarz 2014).

Pre-apprenticeships, as a pathway into apprenticeships, have been a feature of the Australian system for more than four decades (Karmel 2023). Pre-apprenticeships have been helpful for both individuals pursuing an apprenticeship opportunity and for employers looking to recruit an apprentice. Pre-apprenticeships can give individuals a taste of both the training and work environments of their chosen occupation, and they can support employers in their recruitment of apprentices by providing an indication of the applicant's awareness of and commitment to that occupation. A study commissioned by Group Training Australia (Toner & Lloyd 2012) found that there is a much higher rate of course completion in pre-apprenticeships than apprenticeships, with

an average completion rate of 77%. That study also identified high rates (70–80%) of transition into apprenticeships for pre-apprenticeship graduates and a higher likelihood of apprenticeship completion among those who have also completed a pre-apprenticeship.

While part of the wider skills and training system, pre-apprenticeships are currently not used consistently or intentionally as a pathway into apprenticeships across all industries. In fact, evidence from a recent systematic review found that, due to their varying status and use and an absence of a comprehensive dataset on activity in pre-apprenticeships, there is no definitive status for them within occupational training pathways (Karmel 2023). To address the challenges of both stagnated uptake and problematically low apprenticeship completions, pre-apprenticeships offer an existing mechanism that is ready for expansion as a more formalised and impactful component of the apprenticeship system.

**Recommendation 2: Strengthen and formalise the role of pre-apprenticeships as a critical component of the apprenticeship system. This should include:**

- consistent recognition through labelling and funding of pre-apprenticeship pathways
- introducing pre-apprenticeship offerings where they currently don't exist, prioritising their introduction in high-growth occupations and those in skill shortage
- exploring the adoption of pre-apprenticeships as a default pathway for young apprentices who haven't completed Year 12.

## 2.4 Strengthening employer capability

### 2.4.1 Supportive and capable employers are critical to enabling apprenticeship completion

The most common reasons for attrition from apprenticeships have repeatedly been identified as employment-based (Bednarz 2014, Loveder 2015, NCVET 2024), including reasons related to workplace culture and apprentices feeling excluded or unsupported in their workplace. Around three-quarters of traditional trade apprentices who did not complete in 2019 cited employment-based reasons for their discontinuation (Misko, Gu & Circelli 2020). Social inclusion and integration in the workplace are critical to apprenticeship completion (Stanwick, Ackhurst & Frazer 2021). A strong and positive relationship between an apprentice and their workplace supervisor, enabled through guidance and mentorship in the early stages, has been shown to reduce attrition (Loveder 2017; European Commission Directorate-General for Employment, Social Affairs and Inclusion 2013; Cocks & Thoresen 2013). Employers who are willing and capable of supporting apprentices in their learning journey and to adapt to the challenges apprentices face along the way are critical to strong apprenticeship outcomes. Reflecting the views frequently shared with BSL through our place-based employment service initiatives, one employment service provider said:

If you have a really supportive employer that you know understands maybe what a young person is experiencing then you get a whole different outcome. – *Employment service provider*

Disconnection between employers, industry and the education system has eroded the role and expertise of employers when it comes to training and development of entry-level workers. One key point of failure of the current apprenticeship system is employer readiness to enable and support off-the-job training and to address challenges, both work-based and personal, that the apprentice



might encounter. While it is well understood that active involvement of employers in teaching apprentices on the job is critical, when it comes to employer access to incentives there is not an expectation or criteria for employers to demonstrate readiness or capability to effectively support and enable apprentices. Placing Building the training capabilities of employers and providing apprentices with an opportunity to engage in a variety of work increases the likelihood of completion (Powers 2015).

Employers' line of sight to the design and delivery of training has been obscured by their detached relationship with the training process. Employers are increasingly reliant on just-in-time off-the-job training, while they are not being supported to provide the on-the-job training and learning environments. It is critical that employers are able to provide a connection between on and off-the-job training, including making sure that what apprentices are doing on the job aligns with their training stage. As one employment service provider highlighted, a gap between the classroom and workplace can leave an apprentice feeling unsupported and at greater risk of dropping out:

I think there is just a big gap between the classroom setting of the learning and then the practical learning ... If they're trying to do it on their own that middle support isn't there, it's like they're expected to be a fully functioning working and all, without being given any of that knowledge to be able to do it without being properly informed what an apprenticeship is like.  
– *Employment service provider, South Australia*

#### **2.4.2 Engaging employers in intentional capability building is a missing part of the current system**

Building the capability of employers to support on-the-job learning and apprentices as they navigate a range of workplace challenges is key to improving completion rates and outcomes. While a general capability uplift is needed across the system, boosting uptake and completion for apprentices from priority groups requires intentional development of employers cross-cultural competency. This includes supporting employers to develop onboarding, induction, workplace supervision and workplace culture practices that create safe and inclusive spaces for apprentices from underrepresented groups.

Incentives targeted to underrepresented and priority groups are an opportunity to strengthen employer capability for supporting successful outcomes for these groups. Access to employer incentives for taking on apprentices from underrepresented groups should be tied to capability-building inputs, enabled by apprenticeship service providers, to make sure that conditions for success are considered and established from the beginning.

**Recommendation 3: Formalise employer capability development approaches as part of schemes and incentives for widening access for priority cohorts. This should include:**

- **a capability threshold for employers wanting to access incentives for employing apprentices from priority groups, including demonstrating current retention and/or prior successful apprenticeship completion of non-priority group apprentices and workplace practices designed with the needs of that priority group in mind (e.g. anti-sexual harassment and bullying, cultural competence practices, inclusive practices)**
- **resourcing for apprenticeship services to work collaboratively with local employers and training providers to develop targeted capability uplift to strengthen business and supervisor capability for supporting underrepresented groups in their workplaces. This**

**collaboration, and any resulting resources and programs, should complement incentives for employers to recruit underrepresented cohorts. Access to capability uplift activities should be tied to the staged payment of incentives.**

## **2.5 Targeted supports to increase apprenticeship completion – particularly among priority groups**

### **2.5.1 To be able to diversify apprenticeship take-up and improve completions, we need to understand the systemic challenges underrepresented groups face**

In addition to the downward trend in the take-up of apprenticeships, current apprenticeship activity does not represent the diversity of jobseekers. As the Australian Government aims to build a pipeline of skilled workers to support sustained economic recovery (Department of Education, Skills and Employment 2022) there must be a focus on diversifying those taking up and completing apprenticeships.

Apprenticeships in their current form are largely attracting and enabling strong outcomes for a narrow group of Australian jobseekers and labour market entrants. Women, those from culturally and linguistically diverse (CALD) backgrounds and people with disability are all underrepresented in enrolment and completion statistics.

Young men still make up the majority of participants in apprenticeships and traineeships. The numerous national and state-based initiatives aimed at driving uptake among women in non-traditional trades and high-growth areas are not working. According to NCVER in-training figures for July to September 2023, only 28.6% of apprentices and trainees were women. This is a decrease from a decade ago when women made up 36.5% of apprentices and trainees in the April to June 2012 quarter. Ten years before that, in the April to June 2003 quarter, women made up 36.8% of apprentices and trainees. Looking at the data for trades occupations alone, in the July to September 2023 quarter, women contributed to just 11.74% of total in-training activity.

Other priority groups are also underrepresented in apprenticeships. Only one in 10 (10.02%) in-training apprenticeships and trainees in the July to September 2023 quarter spoke a language other than English at home. Apprenticeship and trainees who speak a language other than English at home made up an even smaller proportion of those in trade occupations (7.61%).

People with disability made up only 3.29% of all in-training activity in the July to September quarter of 2023, and only 2.93% of in-training activity in trade occupations. Boosting rates of apprenticeship take-up by people with disability could significantly improve disability employment outcomes. Rates of employment of people with disability who have completed an apprenticeship are consistently higher (at 71.6%) than those seeking employment not through an apprenticeship (Melbourne Apprenticeship Disability Network (MADN) 2022, unpublished data). A longitudinal study of employment outcomes for Australian apprentices and trainees with and without disability (Lewis, Thoresen & Cocks 2013), found positive employment and related outcomes for apprenticeship graduates with disability. Indeed, their economic outcomes from participating in apprenticeships are comparable to similarly aged Australians without disability. This study observed sustained outcomes including improved workforce participation and employment rates and increased income levels.

The underrepresentation of people from diverse backgrounds in workplaces where apprentices are most commonly working leads to feelings of isolation and disconnection for minority apprentices in

those environments. This can cause disconnection from on-the-job learning and workplace cultures, negatively impacting their completion rates. As one BSL partner organisation working with First Nations and young apprentices emphasised:

A lot of the young people that commence those traineeships and apprenticeships, unless they've got really good support through that, particularly if they're young people that haven't experienced or don't have the experience of having a network of people around them, it's a very tough gig. – *Employer service provider, Queensland*

### **2.5.2 Collaborative support models are needed to address the breadth of challenges that apprentices face on their training and employment journey**

Feedback from BSL's frontline service staff and community partners, including those engaged in the NYEB, reveal scepticism about the benefits of wage subsidies and incentives for enabling successful take-up and completion of apprenticeships. There is particular concern regarding the way incentives are used or not used to support the experience and learning of the apprentice. As one employment service provider who supports young jobseekers described:

I can tell you that I am not a fan of wage subsidies, because a lot of employers will use that. 'Do they come with a wage subsidy?' And that's why they'll employ them ... I think there should be some type of incentive for employers, but that that money should actually have to be paid to a training organisation to upskill that young person, or should be 'OK, they're working towards getting their license.' So, you know, \$2000 of this, we're going to put into driving lessons that they can do throughout their work day and their work week, rather than it being a lump sum paid to the employer. – *Employment service provider*

A common challenge identified by our frontline services providers and partners working with apprentices is the lack of flexibility in apprenticeship delivery and employment models to adapt to the challenges that emerge in the lives of apprentices. This is particularly true for those who may be entering work and/or training for the first time. As one service provider explained:

I think sometimes that flexibility, like if something happens at home or something happens in their life and they just can't, right? They need a couple of weeks, there's not often that flexibility where they can stop. – *Employment service provider, Victoria*

The new model of Apprenticeship Support Services commencing 1 July is a step in the right direction. The model's impact could be further enhanced by contract holders working collaboratively with local stakeholders to bring together social, health and wellbeing and other non-vocational supports at the point of need for apprentices. Collaborative support models that combine expertise and responses from a range of providers working in partnership with training providers and employers are a critical component for strengthening the efficacy of apprenticeship system. Effective support approaches include supports offered by employers upfront and at the point of need throughout the apprenticeship (Stanwick, Ackeurst & Frazer 2021, Bednarz 2014), and strong partnerships between support services and employers (Roy & Rickard 2011).

Social procurement and social enterprises can also be used to create apprenticeship opportunities for priority cohorts and connecting diverse jobseekers with employers looking for apprentices. BSL operates the Given the Chance (GtC) initiative, which is an accredited social enterprise, licensed labour hire provider and registered Group Training Organisation. Through a person-centred practice model, GtC assists disadvantaged jobseekers into work, supports employers to grow and diversify

their workforce, and fosters social benefit and connectedness in workplaces. The Apprenticeship Support Services model offers an opportunity for scaling partnerships with similar social enterprise initiatives to build employer workplace capability and establish the conditions for apprenticeship completion for underrepresented groups. BSL is also working with Lendlease on an initiative that includes targeted apprenticeship opportunities. Insights from this work highlight the benefit of creating apprenticeship opportunities within large infrastructure builds, and the importance of accountability for achieving those targets. It is not yet clear whether social procurement targets for apprenticeships are being met – both in terms of commencement and completions.

Existing and new support models will be most effective when integrated into the apprenticeship system and offered by default, rather than offered after an apprentice is already at risk of withdrawal. Data from BSL's Ticket to Work program has identified the Disabled Australian Apprentice Wage Support (DAAWS) program as a lever to improve participation and successful completion of apprenticeships for people with disability. However, the current complexity of DAAWS limits its effectiveness. Information from the Melbourne Apprenticeship Disability Network indicates that the lack of clear eligibility criteria and publicly available guidelines lead to an administrative burden which excludes people with disability, their families and employers from completing the process. On average, the DAAWS application process requires 25 hours of administrative work; and it can take months for applications to be assessed by the department.

**Recommendation 4: Expand collaborative approaches to enabling and supporting apprenticeships. This should include:**

- **collaborative support approaches within the new Apprenticeship Support Services practice models**
- **partnerships and collaborative delivery of apprenticeship and employer supports that include health, housing, and social support expertise and stakeholders**
- **prioritising social procurement as a means to establish targets for underrepresented groups in apprenticeship opportunities made available through local infrastructure investments**
- **stronger accountability measures for apprenticeship targets through social procurement initiatives.**

## **3. Insights on the opportunity for aligning outcomes of the Review with the White Paper**

### **3.1 The outcomes of the Review should connect with wider policy reforms on workforce development**

Employer and industry demand for skilled workers is expected to grow in the years ahead. Many of these demands will evolve over time as emerging industries gain greater prominence in the economy. Apprenticeships, along with the wider skills and training system, must adapt and shift to meet future demand and build the capability of employees (both existing and new). A lack of integration between employment services and skills systems is hindering adaptation and contributing to the limited role that apprenticeships are playing in workforce development compared with non-apprenticeship training pathways.

This Review follows the 2022–2023 DEWR *Australian Apprenticeship Services and Supports Discussion Paper* and consultations and is part of national employment and workforce development

reforms. There is an important opportunity to connect changes in the apprenticeship incentives system to wider employment reforms emerging from *Working Future: The Australian Government's White Paper on Jobs and Opportunities* (the White Paper) and the final report on Workforce Australia Employment Services, *Rebuilding Employment Services* (the Report).

Objective 4 of the White Paper is 'Filling skills needs and building our future workforce'. The authors of the White Paper emphasise that 'addressing skills shortages and proactively building a strong and skilled workforce will be fundamental to achieving full employment and productivity growth' (p. 1x). The White Paper highlighted that 'fostering collaboration between business, unions, governments and education providers is crucial to navigate workforce shortages more effectively' (p. 204) and that 'pronounced workforce shortages require a focus on attracting workers to the industry, supporting their journey through accessible and tailored education and training' (p. 205). Growing and strengthening the apprenticeship system and the outcomes it enables for both individuals and employers requires an approach to incentives that considers them as complementary to a breadth of promotion, support and capability mechanisms, not as a solution that alone will increase uptake and enable completion.

The White Paper also signals the importance of evidence-informed workforce planning and targeted interventions: 'Without workforce planning, it is more difficult for workers and education and training systems to predict and respond to future skill needs. Tailored, industry-specific solutions may be required' (p. 204). Workforce planning is and will continue to be critical to preparing for future workforce demand and for national and regional economic priorities. This will involve matching training to available employment opportunities, to establish coherent and durable employment pathways. Collaboration between the education and training system and employers, industry and employment services is essential.

Across the employment services, social security and education and training portfolios, there are several critical reforms in progress that directly and indirectly impact the functioning and efficacy of the apprenticeship system. Future approaches to the use of incentives within the apprenticeship system should align with government programs and models aimed at broader structural issues of access to training and employer capability for inclusive workforce development.

## References

- Bednarz, A 2014, *Understanding the non-completion of apprentices*, NCVET, Adelaide. Viewed 4 May 2021.
- Cebulla, A, Goodwin-Smith, I 2013, *Housing (in)stability during apprenticeship training*, Australian Homelessness Clearinghouse, Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), Canberra.
- Cocks, E & Thoresen, S 2013, *Barriers and facilitators affecting course completions by apprentices and trainees with disabilities*, NCVET, Adelaide.
- Department of Education, Skills and Employment (DESE) 2022, *Boosting Apprenticeship Commencements and Completing Apprenticeship Commencements*, DESE, Canberra.
- Department of Employment and Workplace Relations (DEWR) 2022, *Apprenticeships services and supports discussion paper*, DEWR, Canberra.

- European Commission Directorate-General for Employment, Social Affairs and Inclusion 2013, *Apprenticeship and traineeship schemes in EU27: key success factors: a guidebook for policy planners and practitioners*, European Commission, Brussels.
- Guest, W, Brown, M 2017, 'Pastoral care within a college setting: customising individual apprenticeship support towards lifting participation and completion rates', in R I Lerman & E A Okoli (eds), *Modern apprenticeships: widening their scope, sustaining their quality: proceedings of the seventh research conference of the International Network for Innovative Apprenticeships*, International Network on Innovative Apprenticeship, Washington.
- Karmel, T 2021, *The efficacy of pre-apprenticeships*, Mackenzie Research Institute, Holmesglen.
- Lewis, G, Thoresen, S & Cocks, E 2011, 'Post-course outcomes of apprenticeships and traineeships for people with disability in Western Australia', *Journal of Vocational Rehabilitation*, vol. 35, no. 2, pp. 107–116.
- Loveder, P 2015, 'Why apprentices drop out in Australia and the policy implications', in E Smith, P Gonon & A J Foley (eds), *Architectures for apprenticeship: achieving economic and social goals*, Australian Scholarly Publishing, Melbourne, pp. 87–88.
- Loveder, P 2017, 'Australian apprenticeships: trends, challenges and future opportunities for dealing with Industry 4.0', paper presented at the fourth Korea Research Institute for Vocational Education and Training (KRIVET) International Apprenticeships Conference, 28 September 2017, Seoul.
- Misko, J, Gu, Z & Circelli, M 2020, *Traditional trade apprenticeships: experiences and outcomes*, NCVER, Adelaide.
- National Centre for Vocational Education Research (NCVER), National Apprentice and Trainee collection no. 118, December 2023 estimates.
- NCVER 2021, [Completion and attrition rates for apprentices and trainees 2020, Australian vocational education and training statistics](#), NCVER, Adelaide, viewed April 23<sup>rd</sup> 2024..
- NCVER 2023, [Australian vocational education and training statistics: completion and attrition rates for apprentices and trainees 2022](#), NCVER, Adelaide, viewed April 23<sup>rd</sup> 2024.
- NCVER 2024, [Apprentice and trainee outcomes 2023](#), NCVER, Adelaide. Viewed 22 Apr 2024.
- Powers, T 2015, 'Predicting apprenticeship retention: not all trades are the same', in T Griffin (ed.), *2014 postgraduate research papers: a compendium*, NCVER, Adelaide, pp. 50–87.
- Roy, S, Rickard, L 2011, *Getting clever about completions: increasing TAFE NSW qualification completions*, AVETRA, Melbourne.
- Stanwick, J, Ackehurst, M & Frazer, K 2021, [Issues in apprenticeships and traineeships: a research synthesis](#), NCVER, Adelaide.
- Toner, P, Lloyd, C 2012, *A study into pre-apprenticeship delivery models and their labour market outcomes*, Group Training Australia, Sydney.